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## Bedford Firm Sues CIA for Theft of Secrets

The Central Intelligence Agency may face a new round of embarrassment and exposure as the result of a lawsuit a local company is bringing against it. General Aircraft Corporation (GAC), a small airplane manufacturer based at the Air Force's Hanscom Field in Bedford, is charging that the CIA engaged in a fifteen-year conspiracy to illegally manufacture planes designed by the company without paying royalties. General Aircraft is further charging that the CIA conspired to disrupt the company's foreign and domestic sales.

GAC (also known as Helio Aircraft Company) recently filed three suits in the US District Courts of Virginia and Washington, D.C. — against the US Government, the CIA and several of the CIA's proprietary companies — firms wholly owned by the CIA — including Air America, Air Asia, Bird and Sons, and Continental Air Transport. GAC is seeking a reported \$7.7 million in damages.

The case could gain national significance if it ever reaches court. As plaintiff, General Aircraft may subpoena as evidence top-secret files on the CIA's proprietary companies and their paramilitary activities in Southeast Asia. If such data is forced into the open, it could shed further light on the CIA's involvement in the origins and rise of the Vietnam War and on the agency's relationships to American businesses. The files might help expose such closely guarded secrets as the agency's involvement with organized crime and Southeast Asian drug traffic during the fifteen-year period covered by the suit.

GAC designs and manufactures short take-off and landing planes (STOLs) which require runways no longer than a tennis court. STOLs are especially useful for covert paramilitary operations, which is what the CIA had in mind when it bought several from GAC in the late Fifties. By 1960 the CIA's secret war against

communism in Southeast Asia was gaining momentum, particularly in Laos and Vietnam, and GAC's STOLs were ideal for conducting guerrilla movements in the rugged bush.

However, GAC contends in its lawsuit, by 1962 its business relationship with the CIA went sour, and the agency started undermining many of GAC's business dealings. The suit claims the CIA accomplished this through its complex empire of front corporations and air proprietaries (which, according to one knowledgeable source, currently have more flights daily than United Airlines). The organizer and chief executive officer of the CIA's key air proprietaries is George Doole, Jr., a CIA old boy with a reputation for corporate machinations that sometimes even baffle the CIA headquarters. GAC claims its trouble began in 1962 when Doole demanded drawings and blueprints for GAC planes and the tools, jigs and fixtures needed to manufacture them. GAC refused, arguing that these were trade secrets which, if released, would put the company out of business.

Doole, the company's suit claims, then called upon various CIA resources to obtain their were finally stolen by a "secret agent" (the term used in the suit) planted in GAC's Washington, D.C., office.

Following the theft, the suit charges, from 1962 to 1975 the CIA engaged in "improper, unlawful and illegal fabrication of GAC's planes and parts at its aircraft maintenance facilities in Taiwan, Taiwan, without right, authorization, or license from GAC." It states that the spook planes were of inferior construction and were not licensed or approved by the FAA as required by law.

Furthermore, General Aircraft asserts, following the company's rift with Doole, the CIA boycotted and sabotaged sales of GAC products. For example, a large order by Thailand for GAC's

STOLs was allegedly canceled when the Thai air minister discovered that persons he had been dealing with who claimed to represent General Aircraft actually worked for the CIA instead, unbeknownst to GAC. The suit claims the CIA went on to sabotage prospective deals with the US Air Force, the Philippines, Nepal, Greece, Micronesia and Australia.

In another instance, GAC lodged a protest with Secretary of Defense Robert McNamara in 1967 over the Navy's no-bid, no-competition purchase of thirty planes made by Fairchild Industries despite the fact that GAC's model performed better. GAC later learned that the Navy's decision to exclude it from the running was based on inaccurate performance reports on their aircraft. The false reports, the suit alleges, were supplied to the Navy by George Doole.

In 1975 GAC finally appealed to CIA Director William Colby. Colby acknowledged that his subsidiaries in Taiwan were indeed making aircraft parts of GAC design. GAC began preparing its suit soon afterward.

Intriguing as the company's lawsuit is, it leaves some important questions hanging. First, why did GAC wait nearly fifteen years to initiate legal action? GAC, in a final twist to its story, claims there is at least one good reason. When they began doing business together, the CIA instructed GAC to hire attorneys for the sensitive negotiations only if they were first cleared by the agency. GAC agreed. Over the years, the CIA-approved lawyers advised GAC to lie low and not seek punitive damages. GAC now claims it was double-crossed, and that the attorneys owed their "primary allegiance to the CIA and its air proprietaries."

Another question is why would the CIA bully an apparently helpless small manufacturer? GAC's explanation is merely that George Doole was punishing them for refusing to become part of his secret air empire; perhaps he meant to set an example for other companies that might consider balking.

GAC officials declined all comment on the case since it is under litigation. So did Dale Peterson, public affairs officer for the CIA. Doole could not be reached.

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